

Margaret M. Fox

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July 24, 2014

Ms. Jocelyn Boyd
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of Palmetto Telephone Communications, LLC for a
Certificate of Public Convenience and Necessity to Provide Local
Exchange and Exchange Access Service to Customers Located in
Certain Areas of the State of South Carolina

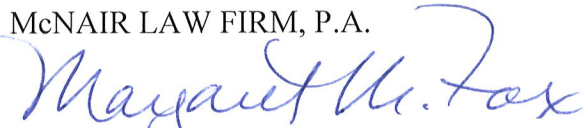
Dear Ms. Boyd:

Enclosed for filing on behalf of Palmetto Telephone Communications, LLC, please find an Application in the above-referenced matter. Also enclosed with this application is a proposed Notice of Filing and Hearing.

Thank you for your assistance.

Very truly yours,

McNAIR LAW FIRM, P.A.



Margaret M. Fox

MMF:rwm
Enclosures

cc: Nanette S. Edwards, Esquire, ORS

McNAIR LAW FIRM, P.A.
1221 Main Street
Suite 1600
Columbia, SC 29201

Mailing Address
Post Office Box 11390
Columbia, SC 29211

mcnair.net

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. _____

IN RE:

Application of Palmetto Telephone Communications, LLC)	
for a Certificate of Public Convenience and Necessity to Provide)	APPLICATION
Local Exchange and Exchange Access Service to Customers)	FOR EXPANDED
Located in Certain Areas of the State of South Carolina)	AUTHORITY
_____)	

Palmetto Telephone Communications, LLC ("Applicant") hereby submits this application to the South Carolina Public Service Commission ("the Commission") to amend its Certificate of Public Convenience and Necessity, pursuant to S.C. Code Ann. § 58-9-280 and the rules and regulations of the Commission, to permit it to provide local exchange and exchange access service to customers located in those areas of the State of South Carolina that are served by BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina ("AT&T"); Frontier Communications of the Carolinas, Inc. ("Frontier"); United Telephone Company of the Carolinas, Inc., d/b/a CenturyLink ("CenturyLink"); Windstream South Carolina, LLC ("Windstream"); and other incumbent local exchange carriers ("ILECs") whose rural exemptions under 47 U.S.C. §251(f)(1) have been terminated by the Commission. In support of this application, the following is shown:

1. Applicant's name and address are as follows:

Palmetto Telephone Communications, LLC
Post Office Drawer 1577
Walterboro, SC 29448

2. Correspondence regarding this Application should be addressed to Applicant's counsel:

M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
Telephone: (803) 799-9800
Facsimile: (803) 753-3278
Email: jbowen@mcnair.net; pfox@mcnair.net

3. The name, title, address and telephone number of the person who should be contacted in connection with general management of the company is:

Jason J. Dandridge
Chief Executive Officer
Palmetto Telephone Communications, LLC
Post Office Drawer 1577
Walterboro, SC 29448
Telephone: (843) 538-2020
Facsimile: (843) 538-7904
Email: Jason.Dandridge@prtc.coop

4. Applicant was organized as a Limited Liability Company in the State of South Carolina in 1998. Applicant is a wholly owned subsidiary of Palmetto Rural Telephone Cooperative, Inc., which has been providing local exchange telephone service in the State of South Carolina since 1955. Applicant has previously been issued certificates of public convenience and necessity by this Commission. In 1999, the Commission granted Applicant a certificate to provide resold interexchange telecommunications services within the State of South Carolina. See Commission Order No. 1999-617 in Docket No. 1999-309-C. In 2004, the Commission granted Applicant a certificate to provide competitive local exchange and exchange access service to customers located in the Walterboro exchange served by Verizon South, Inc., now served by Frontier. See Commission Order No. 2004-1 in Docket No. 2003-270-C. In 2012, the Commission granted Applicant's request to expand its authority to include Frontier's Yemassee, Ehrhardt, Olar,

and Fairfax exchanges, and CenturyLink's Hampton and Estill exchanges. See Commission Order No. 2012-75 in Docket No. 2011-303-C. Each of these certificates was granted to Applicant upon a finding by the Commission that Applicant has the technical, financial, and managerial resources sufficient to provide the requested services within the State of South Carolina, and that the Applicant met all other requirements of certification. Applicant continues to meet these requirements, as demonstrated in the description of key personnel attached as Exhibit A, and the most recent Telecommunications Company Annual Report of Applicant's parent company, Palmetto Rural Telephone Cooperative, Inc., which is on file with the Commission and is attached as Exhibit B.

5. Applicant proposes to expand its service to those areas of the State that are served by AT&T, Frontier, CenturyLink, Windstream, and other ILECs whose rural exemptions pursuant to 47 U.S.C. §251(f)(1) have been terminated by the Commission, as opportunities and facilities become available. Applicant will provide the same service, under the same terms and conditions, to customers located in the expanded area as it is currently providing to customers in its presently certificated service area. Applicant will offer the service at rates comparable to those of the incumbent LEC serving the area.

6. Amending Applicant's certificate to expand its service area will serve the public interest. Applicant is an established competitive local exchange carrier in South Carolina. Provision of service by Applicant in the requested service area will enhance competition in the State of South Carolina by offering additional service options and high service quality to South Carolina telecommunications users.

7. As demonstrated in Applicant's prior certification proceedings as well as Attachments A and B hereto, and as demonstrated by Applicant's service history and the Annual

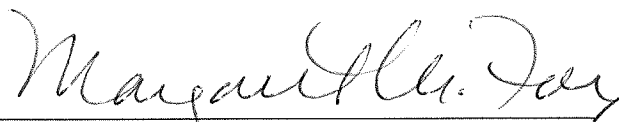
Reports that are filed with the Commission and the Office of Regulatory Staff by Applicant and its parent company on an annual basis, Applicant has the technical, managerial, and financial resources necessary to provide service in the requested areas.

8. As demonstrated in Applicant's prior certification proceedings, and as demonstrated by Applicant's service history, Applicant will provide services which meet the service standards of the Commission; Applicant's provision of service will not adversely impact the availability of affordable local exchange service, and will not otherwise adversely impact the public interest; and Applicant will support universally available telephone service at affordable rates.

9. The Commission has previously granted Applicant's request for flexible regulation of its local exchange telecommunications services. See Commission Order No. 2004-1 in Docket No. 2003-270-C. Applicant requests the same treatment for local exchange telecommunications services provided in the expanded area for which it requests certification.

In view of the foregoing, Applicant respectfully requests that the Public Service Commission of South Carolina amend the certificate of Palmetto Telephone Communications, LLC to include those areas described in this Application, and that its rates and tariffs for such local telecommunications service in the expanded area be regulated in accordance with the principles and procedures established for flexible regulation, consistent with the authority previously granted by the Commission to Applicant for the local exchange areas it currently serves.

Respectfully submitted,

A handwritten signature in cursive script, reading "Margaret M. Fox". The signature is written in black ink and is positioned above a horizontal line.

M. John Bowen, Jr.

Margaret M. Fox

McNair Law Firm, P.A.

P O Box 11390

Columbia, SC 29211

Telephone: (803) 799-9800

Facsimile: (803) 753-3278

Email: jbowen@mcnair.net; pfox@mcnair.net

Attorneys for Palmetto Telephone Communications,
LLC

Columbia, South Carolina

July 24, 2014

EXHIBIT A

Palmetto Telephone Communications, LLC Description of Key Personnel

PALMETTO TELEPHONE COMMUNICATIONS, LLC
Key Personnel

Jason J. Dandridge

Mr. Dandridge has worked for Palmetto Telephone Communications' parent company, Palmetto Rural Telephone Cooperative, Inc., since 1997. He was hired as Staff Engineer and was later promoted to Assistant General Manager. In his current role as Chief Executive Officer, Mr. Dandridge is responsible for ensuring the long term business and financial viability of the company; managing the activities of the company directly and through other key personnel; interpreting and implementing policies; evaluating new business opportunities and making recommendations to the Board of Directors; ensuring all operations comply with applicable federal, state, and local regulations; and ensuring the success of the company within the guidelines and authority established by the Board of Directors. Mr. Dandridge has extensive experience in the communications industry. Prior to joining Palmetto, he was employed with Design South Professionals.

Dewaine J. Wilson

Mr. Wilson joined Palmetto Rural Telephone Cooperative, Inc., in 2007 as its Controller. In 2010, he was promoted to Chief Financial Officer. As CFO, Mr. Wilson is responsible for financial reporting for the company and oversees Accounting, Billing, Customer Service, IT, Marketing and Regulatory. Mr. Wilson has over 20 years of financial management experience. Prior to joining Palmetto, Mr. Wilson was a Controller at Hargray Communications Group; District Controller for Waste Management; Senior Financial Analyst with International Paper Company; and held the positions of Business Analyst, Internal Auditor and Accountant at Hughes Aircraft. Mr. Wilson has been very instrumental in implementing process controls and procedures and department budgets at Palmetto.

Tony Stout

Mr. Stout joined Palmetto Rural Telephone Cooperative, Inc., in 2010 and serves as the company's Chief Technology Officer. In his role as CTO, he is responsible for overseeing strategic direction for designing and building Palmetto's next generation network infrastructure. Additionally, he manages the company's daily engineering and operational duties. Mr. Stout has managed several key initiatives at Palmetto including the company's Microsoft Mediaram deployment, upgrading Palmetto's network infrastructure and standardizing operational procedures.

Mr. Stout has more than 19 years of technology and business experience in various Telecom and Information Technology roles. He has managed numerous commercial deployments of next-gen technologies including several IPTV deployments, commercial web application development, carrier access, metro and core network deployments. Mr. Stout specializes in building technical teams and managing complex technology projects. Prior to joining Palmetto, he served as Hargray Communications' Network Engineering Manager, responsible for network design and technology planning for Hargray's carrier network infrastructure.

EXHIBIT B
Palmetto Telephone Cooperative, Inc.
Telecommunications Company Annual Report
For Calendar Year 2013

TELECOMMUNICATIONS COMPANY ANNUAL REPORT OF

Palmetto Rural Telephone Cooperative, Inc.

Exact Legal Name of Respondent

PSC/ORS Number (leave blank)

FOR THE YEAR ENDED 2013

☒ Calendar Year Ending December 31, 2013
or
☐ Fiscal Year Ending _____

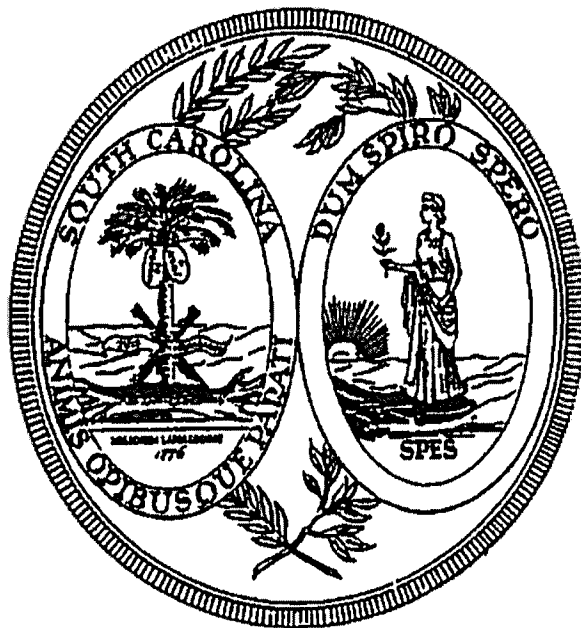


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GENERAL INSTRUCTIONS

1. All Telecommunications Companies are required by state law to complete and file this annual report for its South Carolina operations. Two copies should be mailed to the South Carolina Office of Regulatory Staff, 1401 Main Street-Suite 900, Columbia, SC 29201 by April 1, 2014. A third copy should be retained by the company for reference. Upon receipt, the Office of Regulatory Staff will forward one copy to the Public Service Commission of South Carolina. Filing two copies with the Office of Regulatory Staff will satisfy the utility's responsibility for submitting an annual report as required pursuant to Commission regulations. Pencil entries will not be permitted on the hard copy.
2. All forms are available in MS Excel on the Office of Regulatory Staff web site at: www.regulatorystaff.sc.gov
3. Where no information is available for an item in the report, "0," None, or Not Applicable are appropriate responses.
4. All accounting terms and phrases used in this report are to be interpreted in accordance with the Uniform System of Accounts prescribed in Part 32 of the Federal code of regulation, or in accordance with Generally Accepted Accounting Principles if your company has specific permission from this Commission to use GAAP for financial reporting and record keeping.
5. Throughout this report, money items will be rounded to the nearest dollar.
6. Failure to comply with the submission of the annual report may result in fines and/or revocation of Certificate of Public Convenience and Necessity.
7. Separate notification is required for changes in company information -- i.e. name, address, telephone number, contact names, sale or purchase of Company, corporate structure.
The Authorized Utility Representative Form can be downloaded at: www.regulatorystaff.sc.gov
8. Contact the Office of Regulatory Staff at (803) 737-0800 if you have questions about this form or the requirements for a Telecommunications Company.
9. Companies that have been approved for Alternative Regulation are not required to complete schedules 4, 5 and 6.

Company Information

Identification and Contact Information

Check/ Date: ☐ Sole Proprietorship ☐ Partnership ☒ Corporation 1951

Name of Company: Palmetto Rural Telephone Cooperative, Inc.

Doing Business As: Palmetto Rural Telephone Cooperative, Inc.

Street Address: 2471 Jefferies Highway

City: Walterboro State: South Carolina Zip: 29488

Mailing Address: P.O. Drawer 1577

City: Walterboro State: South Carolina Zip: 29488

Telephone Number: (843) 538-2020

Type of Business

☐ CLEC (Competitive Local Exchange Carrier)

☒ ILEC (Incumbent Local Exchange Carrier)

☐ IXC (Interexchange Carrier)

☐ (Carriers Carrier)

Contact (for purposes of this report)

Contact Name: Dewaine Wilson

Title: CFO

Street Address: 2471 Jefferies Highway

City: Walterboro State: South Carolina Zip: 29488

Telephone Number: (843) 538-2020 E-mail: dewaine.wilson@prtc.coop

Company Officers

Title of Officer	Name of Person Holding Office
President	Joanne Herndon
Vice-President	Travis Lee Avant
Secretary	Cynthia Colson
Treasurer	Cynthia Colson
Gen. Manager or Supt.	Jason Dandridge

Contact Information (If different from above)

Contact Name:	_____		
Title:	_____		
Street Address:	_____		
City:	State:	Zip:	
_____	_____	_____	
Telephone Number: (____)	E-mail: _____		

LOCAL EXCHANGE CARRIER ANNUAL REPORT
Schedule #1- South Carolina Income Statement

Year Ending December 31, 20 13 or Fiscal Year Ending _____

<u>Operating Revenues:</u>	<u>G/L Account #'s</u>	<u>Combined</u>	<u>Intrastate</u>
Local Network Service Revenues		\$2,989,066	
Network Access Service Revenues		9,534,579	
Long Distance Revenues			
Miscellaneous Revenues		1,106,717	
Uncollectible Revenues		(140,417)	
Total Operating Revenues		13,489,945	
<u>Operating Expenses:</u>			
Plant Specific Expenses		9,896,132	
Plant Nonspecific Expenses		1,721,844	
Customer Operations Expenses		1,881,813	
Corporate Operations Expenses		2,458,081	
Operating Taxes other than Income			
Operating Investment Tax Credits-Net			
Operating Taxes-Income-Current-Federal			
Operating Taxes-Income-Current-State			
Operating Taxes-Deferred Income-Net			
Total Operations Expenses		15,957,870	
Net Income from Operations		(2,467,925)	
Interest Income		3,262,237	
Nonoperating Income and Expenses		1,139,690	
Fixed Charges-(Other Than Interest on Debt)			
Interest Expense on Funded Debt		538,388	
Non-regulated Net Income		1,406,045	
Non-regulated Expenses		1,136,372	
Other			
Extraordinary Items			
Net Income		\$1,665,287	

LOCAL EXCHANGE CARRIER ANNUAL REPORT
Schedule #2- South Carolina Balance Sheet

Date of Balance Sheet: December 31, 2013 or Fiscal Year Ending _____

<u>Description</u>	<u>G/L Account #'s</u>	<u>Balance at Close of Year</u>
<u>Current Assets</u>		
Cash		\$3,243,128
Temporary Investments		
Telecommunications Accounts Receivables		549,265
Allowance for Bad Debts		(181,047)
Interest, Dividends & Other Accounts Receivable		276,914
Notes Receivable-Net		
Materials & Supplies Inventory		491,370
Other Current Assets		18,684,783
Total Current Assets		23,064,413
<u>Prepaid Accounts & Deferred Charges</u>		
Prepays		620,920
Deferred Charges		1,288,444
Total Prepaid Accounts & Deferred Charges		1,909,364
<u>Non-Current Assets</u>		
Investments in Affiliated Companies		100
Investment in Non-Affiliated Companies		1,258,428
Non-Regulated Investments		
Other Non-Current Assets		20,567,988
Total Non-Current Assets		21,826,516
<u>Telecommunications Plant</u>		
Telephone Plant in Service		89,390,479
Property Held for Future Use		
Telecommunications Plant under Construction		919,152
Telecommunications Plant Adjustment		

Schedule #2- South Carolina Balance Sheet-Continued

<u>Description</u>	<u>G/L Account #'s</u>	<u>Balance at Close of Year</u>
<u>Telecommunications Plant-Continued</u>		
Non-Operating Plant		
Goodwill		
Total Plant		90,309,631
Depreciation Reserve-Plant		(58,635,120)
Depreciation Reserve-Other		
Total Depreciation Reserve		(58,635,120)
Net Telecommunications Plant		31,674,511
Total Assets		\$78,474,804
<u>Current and Accrued Liabilities</u>		
Accounts Payable		\$1,438,080
Notes Payable-Affiliated		
Advance Billings and Payments		43,440
Customer Deposits		44,526
Current Maturities-Long Term Debt		1,830,000
Current Maturities-Capital Leases		
Income Taxes Accrued		
Other Accrued Taxes		789
Other Accrued Liabilities		1,118,782
Other Current Liabilities		
Total Current and Accrued Liabilities		4,475,617
<u>Other Liabilities and Deferred Credits</u>		
Other Long Term Liabilities		2,790,007
Premium on Long Term Debt		
Unamortized Operating Investment Tax Credits-Net		

Schedule #2- South Carolina Balance Sheet-Continued

<u>Description</u>	<u>G/L Account #'s</u>	<u>Balance at Close of Year</u>
<u>Other Liabilities and Deferred Credits-Continued</u>		
Unamortized Nonoperating Investment Tax Credits-Net		
Other Deferred Credits		
Net Current Deferred Operating Income Taxes		
Net Current Deferred Nonoperating Income Taxes		
Net Noncurrent Deferred Operating Income Taxes		
Net Noncurrent Deferred Nonoperating Income Taxes		
Other Jurisdictional Liabilities and Deferred Credits		
Total Other Liabilities and Other Credits		2,790,007
<u>Long Term Debt</u>		
Funded Debt		17,173,692
Reacquired Debt		
Obligations Under Capital Leases		
Advances from Affiliated Companies		
Other Long Term Debt		
Total Long Term Debt		17,173,692
Total Liabilities		24,439,316
<u>Stockholders Equity</u>		
Capital Stock		67,570
Additional Paid in Capital		
Treasury Stock		
Other Capital		(1,255,724)
Retained Earnings		55,223,642
Total Stockholders Equity		54,035,488
Total Stockholders Equity and Liabilities		\$78,474,804

Schedule #3-South Carolina Retained Earnings

Description	Debits	Credits
Retained Earnings Account		
Retained Earnings-Beginning of Year		\$54,851,862
Miscellaneous Debits to Retained Earnings	1,293,507	
Miscellaneous Credits to Retained Earnings		
Net Income or Loss From Operations		1,665,287
Retained Earnings-End of Year		\$55,223,642
Appropriated Retained Earnings:		
Dividends Declared		
Other		
Unappropriated Retained Earnings:		
Jurisdictional Retained Earnings		
Other		
Retained Earnings-Total End of Year		\$55,223,642

Schedule #4-South Carolina Expenditures for Plant and Equipment

<u>Description</u>	<u>Balance at</u> <u>Beginning of Year</u>	<u>Retirements</u> <u>During the Year</u>	<u>Additions</u> <u>During the</u> <u>Year</u>	<u>Balance at End</u> <u>of the Year</u>
Land	\$1,559,092			\$1,559,092
Motor Vehicles	1,065,234	\$(101,129)	\$79,852	1,043,957
Aircraft				
Special Purpose Vehicles	1,366,383		49,863	1,416,246
Garage Work Equipment				
Other Work Equipment				
Buildings	8,097,622		19,636	8,117,258
Furniture	407,171		2,502	409,673
Office Equipment	368,121		12,934	381,055
General Purpose Computers	2,375,540	(1,059,944)	197,271	1,512,867
Analog Electronic Switching				
Digital Electronic Switching	6,290,264		13,409	6,303,673
Electromechanical Switching				
Operator Systems				
Radio Systems				
Circuit Equipment	17,354,001	(317,680)	1,385,360	18,421,681
Station Apparatus	20,683			20,683
Customer Premises Equipment				
Large Private Branch Exchange				
Public Telephone Terminal Equip.				
Other Terminal Eq.	455,940			455,940
Poles	220,712	(220,712)		

Schedule #4-South Carolina Expenditures for Plant and Equipment-Continued

<u>Description</u>	<u>Balance at</u> <u>Beginning of Year</u>	<u>Retirements</u> <u>During the Year</u>	<u>Additions</u> <u>During the</u> <u>Year</u>	<u>Balance at End</u> <u>of the Year</u>
Arial Cable-Metallic	397,926	(397,926)		
Arial Cable-Nonmetallic	62,538	(62,538)		
Underground Cable-Metallic	188,042			188,042
Underground Cable-Nonmetallic	377,070			377,070
Buried Cable-Metallic	31,863,087		26,072	31,889,159
Buried Cable-Nonmetallic	12,020,369		4,617,336	16,637,705
Submarine Cable-Metallic				
Submarine Cable-Nonmetallic				
Deep Sea Cable				
Intrabuilding Network Cable:				
Metallic				
Nonmetallic				
Aerial Wire				
Conduit System	656,378			656,378
Capital Leases				
Leasehold Improvements				
Intangibles				
Total Telecommunications Plant in Service	85,146,173	(2,159,929)	6,404,235	89,390,479
Property Held for Future Use				
CWIP-Short Term	1,600,112	(6,329,404)	5,648,444	919,152
CWIP-Long Term				

Schedule #4-South Carolina Expenditures for Plant and Equipment-Continued

	<u>Balance at</u>	<u>Retirements</u>	<u>Additions</u>	<u>Balance at End</u>
	<u>Beginning of Year</u>	<u>During the Year</u>	<u>During the</u>	<u>of the Year</u>
<u>Description</u>			<u>Year</u>	
Telecommunications Plant Adjustment				
Non Operating Plant				
Goodwill				
Total Expenditures for Plant and Equipment	\$86,746,285	\$(8,489,333)	\$12,052,679	\$90,309,631

Schedule #5-Approved Year End Depreciation Rates (%)

Description	Acct #	Rate (%)
Motor Vehicles	2112	25.00
Aircraft	2113	
Special Purpose Vehicles	2114	10.00
Garage Work Equipment	2115	
Other Work Equipment	2116	10.00
Buildings	2121	3.00
Furniture	2122	9.00
Office Equipment	2123	6.00
General Purpose Computers	2124	20.00
Analog Electronic Switching	2211	
Digital Electronic Switching	2212	20.00
Electromechanical Switching	2215	
Operator Systems	2220	
Radio Systems	2231	
Circuit Equipment	2232	8.50
Station Apparatus	2311	11.50
Large Private Branch Exchange	2341	
Public Telephone Terminal Equip.	2351	
Other Terminal Eq.	2362	11.50
Poles	2411	
Arial Cable-Metallic	2421	5.00
Arial Cable-Nonmetallic	2421	5.00
Underground Cable-Metallic	2422	5.00
Underground Cable-Nonmetallic	2422	5.00
Buried Cable-Metallic	2423	5.00
Buried Cable-Nonmetallic	2423	5.00
Submarine Cable-Metallic	2424	
Submarine Cable-Nonmetallic	2424	
Deep Sea Cable	2425	
Intrabuilding Network Cable-Metallic	2426	
Intrabuilding Network Cable-Nonmetallic	2426	
Aerial Wire	2431	3.50
Conduit System	2441	
Capital Leases	2601	
Leasehold Improvements	2682	
Intangibles	2690	
Composite Rate for all Depreciable Plant		8.47
Composite Rate for Plant Accounts		8.47

Schedule #6- South Carolina Depreciation Reserve
Give particulars of Credits and Debits to Account #3100, Accumulated Depreciation

Description	Acct #	Bag. Bal.	Deprec.	Cost of Asset Retired	Cost of Removal	Salvage Value	Other	Bal. End.
Motor Vehicles	2112	\$1,036,523	\$86,013	\$(101,129)			\$22,550	\$1,043,957
Aircraft	2113							
Special Purpose Vehicles	2114	903,537	139,726					1,043,263
Garage Work Equipment	2115							
Other Work Equipment	2116							
Buildings	2121	2,585,968	243,122					2,829,090
Furniture	2122	364,487	36,739					401,226
Office Equipment	2123	257,081	22,360				12	279,453
General Purpose Computers	2124	2,338,340	152,031	(1,059,944)			28,755	1,459,182
Analog Electronic Switching	2211							
Digital Electronic Switching	2212	5,916,360	177,580					6,093,940
Electromechanical Switching	2215							
Operator Systems	2220							
Radio Systems	2231							
Circuit Equipment	2232	9,376,964	1,822,929	(312,149)				10,887,744
Station Apparatus	2311	14,968	2,379					17,347
Large Private Branch Exchange	2341							
Public Telephone Terminal Equip.	2351							
Other Terminal Eq.	2362	428,477	25,067					453,544
Poles	2411	220,712		(220,712)				
Aerial Cable-Metallic	2421	397,927		(397,927)				
Aerial Cable-Nonmetallic	2421	56,930	1,824	(58,754)				
Underground Cable-Metallic	2422	188,042						188,042
Underground Cable-Nonmetallic	2422	154,877	18,853					183,730
Buried Cable-Metallic	2423	28,165,382	1,590,466				(16,741)	29,739,107
Buried Cable-Nonmetallic	2423	3,082,771	624,754					3,707,525
Submarine Cable-Metallic	2424							
Submarine Cable-Nonmetallic	2424							
Deep Sea Cable	2425							
Intrabuilding Network Cable-Metallic	2426							
Intrabuilding Network Cable-Nonmetallic	2426							
Aerial Wire	2431							
Conduit System	2441	284,997	22,973					307,970
Depreciation Imbalance	9000							
Total	3100	55,784,343	4,966,816	(2,150,615)			34,576	58,635,120
Property Held for Future Use	3200							
Nonoperating Plant	3300							
Capital Leases	3410							
Leasehold Improvements	3500							
Total		\$55,784,343	\$4,966,816	\$(2,150,615)			34,576	\$58,635,120

Schedule #7- South Carolina Local Access Lines and Customer Detail
Year Ending 12/31/20 13

1. Total Business Access Lines	<u>1,207</u>
2. Total Residential Access Lines	<u>8,492</u>
3. Total Access Lines	<u>9,699</u>
4. Total Number of Customers	<u>9,314</u>
5. Total Wholesale Customers	<u></u>
6. Total Wholesale DSL Customers	<u>6,622</u>

7. Total Lifeline Customers provided resold Lifeline from an underlying carrier	<u></u>
8. Total Lifeline Customers provided Lifeline via facilities owned or leased	<u>1,046</u>
9. Total Lifeline Customers	<u>1,046</u>

Schedule #8 - Other Information

**List other Company investments at the close of the business year,
outside of plant and equipment devoted to telephone and miscellaneous operations.
Give full description of each investment:**

The Cooperative has invested in several South Carolina partnerships
to assist in providing cheaper and better telecommunications services
to its members.

**List the Companies furnishing long distance service
to your Company during the reporting year: (Provide underlying carriers.)**

Palmetto Telephone Communications, LLC

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

**SCHEDULE 9: INTEREXCHANGE COMPANIES AND ALTERNATIVE OPERATOR
SERVICE ("AOS") PROVIDERS**

Palmetto Rural Telephone Cooperative, Inc.

COMPANY NAME

P.O. Drawer 1577

(843) 538-2020

ADDRESS

PHONE NUMBER

Walterboro, South Carolina 29488

CITY, STATE, ZIP CODE

FAX NUMBER

1. SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2013 OR FISCAL YEAR. \$ N/A

2. SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2013 OR FISCAL YEAR. \$ N/A

3. RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS
ENDING DECEMBER 31, 2013 OR FISCAL YEAR:

Gross Plant located in or allocated to South Carolina operations \$ _____

CWIP located in or allocated to South Carolina operations \$ _____

Land located in or allocated to South Carolina operations \$ _____

Accumulated Depreciation of South Carolina Plant (\$ _____)

Net Rate Base located in or allocated to South Carolina operations \$ _____

4. PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING
DECEMBER 31, 2013 OR FISCAL YEAR:

LONG TERM DEBT \$ _____

EQUITY \$ _____

5. PARENT'S AVERAGE RATE OF INTEREST ON LONG TERM DEBT _____ %.

6. CONTACT PERSON FOR ALL FINANCIAL INQUIRES AND REPORTING:

NAME _____

ADDRESS IF DIFFERENT FROM COMPANY _____

TELEPHONE NUMBER _____

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'

7. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE)(USE BACK IF NEEDED).

NOT APPLICABLE

NAME OF OFFICER SIGNING FORM (PRINT OR TYPE) JASON J. DANDRIDGE

SIGNATURE

TITLE

CHIEF EXECUTIVE OFFICER

Affidavit


State of SOUTH CAROLINA

County of COLLETON

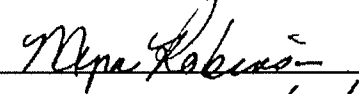
I, JASON J. DANDRIDGE of the

Palmetto Rural Telephone Cooperative, Inc. Company

hereby certify that the foregoing Annual Report was prepared by me or under my supervision, that I have examined it, and that the items herein reported on the basis of my knowledge are correctly shown.

 Signature

Subscribed and sworn to before me this 27 day of March, 20 14.

 Notary Public

Commission Expires 7/25/17

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING AND HEARING

DOCKET NO. 2014-__-C

Docket Summary: Application of Palmetto Telephone Communications, LLC for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Exchange Access Telecommunications Services in Certain Areas of the State of South Carolina

Palmetto Telephone Communications, LLC ("Palmetto" or "Applicant") has filed an Application with the Public Service Commission of South Carolina ("Commission") to amend its Certificate of Public Convenience and Necessity, pursuant to S.C. Code Ann. § 58-9-280, to permit it to provide local exchange and exchange access telecommunications services to customers located in those areas of the State of South Carolina that are served by BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina; Frontier Communications of the Carolinas, Inc.; United Telephone Company of the Carolinas, Inc. d/b/a CenturyLink; Windstream South Carolina, LLC; and other incumbent local exchange carriers whose rural exemptions under 47 U.S.C. 251(f)(1) have been terminated by the Commission.

A copy of the Company's Application can be found on the Commission's website at www.psc.sc.gov under Docket No. 2014-__-C. Additionally, a copy of the Application is available from the Company's representative Margaret M. Fox, Esquire, McNair Law Firm, P.A., Post Office Box 11390, Columbia, South Carolina 29211.

PLEASE TAKE NOTICE that a hearing on the above matter has been scheduled to begin on _____, at _____, before a Hearing Examiner in the Commission's Hearing Room at 101 Executive Center Drive, Saluda Building, Columbia, South Carolina 29210.

PLEASE BE ADVISED that pursuant to S.C. Code Ann. Section 58-9-280, as amended, the Commission will invoke the 120-day period allowed for consideration of this matter.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before _____. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. ***Please refer to Docket No. 2014-__-C.*** Any person who wishes to testify and present evidence at the hearing should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the Company's representative at the above address, on or before _____. ***Please refer to Docket No. 2014-__-C.***

For the most recent information regarding this docket, please refer to www.psc.sc.gov and ***Docket No. 2014-__-C.***

PLEASE TAKE NOTICE that any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments in person to the Commission during the hearing.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

7/__/14

Direct correspondence to: Public Service Commission of South Carolina
Attention: Clerk's Office
Post Office Drawer 11649
Columbia, SC 29211

Revised 4/9/14